

**CITY OF RICHARDSON  
INTERDEPARTMENTAL POLICY AND PROCEDURE  
ON  
COMPENSATION PLAN ADMINISTRATION**

**POLICY:**

It is the policy of the City of Richardson to maintain a competitive Compensation Plan that allows the City to attract and retain qualified employees. For a Compensation Plan to be an effective tool and serve the purposes for which it is designed, periodic modifications are necessary. The City's Human Resources Department conducts numerous and continuing market surveys and internal equity studies in order to maintain the Compensation Plan as a competitive tool for the City. All provisions of the City's Compensation Plan are governed by the financial condition of the City of Richardson, subject to annual review and authorization by the City Manager and City Council.

**PROCEDURES:**

**I. GENERAL INFORMATION**

Each authorized position in the City of Richardson has an authorized level of compensation established for it. All positions are shown on the Compensation Plan in dollars per month.

**Most of the City's positions have pay ranges that allow for periodic growth steps.** However, some management positions are *single step pay positions*, with no ranges or steps.

The City's Human Resources Department conducts numerous and continuing market surveys and internal equity studies in order to maintain the Compensation Plan as a competitive tool for the City. Changes or modifications to position ranges and/or steps may result from these periodic local market surveys, internal studies, and/or economic conditions. Pay range changes for positions may also result from *significant changes* in job duties in those positions. Ranges and/or steps in ranges may be changes upward or downward due to any or all of these factors.

**II. RANGES AND GROWTH STEPS**

Each position's pay range is designed with the following factors in mind:

- the average length of time needed for an average employee in the position to reach maximum productivity;
- minimum and maximum pay that is competitive in the local market, based on periodic surveys;
- five percent maximum increases between range steps; one year periods between steps.

Exceptions:

- A six month Step "B" is allowed for positions that require considerable on-the-job learning in the first year of employment. Six month steps are two-and-one-half percent (2 ½%) steps, or half way between the beginning step and the one year step. (Some ranges established many years ago may still have a five percent "B" Step; this design is no longer in use, and ranges will be adjusted as surveys indicate the need for change.)

- Some public safety positions have ranges designed differently, to accommodate market survey parameters and internal equity issues.

### III. STARTING SALARIES (PAY)

Most new employees start at the beginning of the pay range for their positions (Step “A”). If experience and other circumstances warrant, Department Heads may authorize starting at the one-year step (Step “C”). In order to start above Step C, written approval from the City Manager is required. Employees beginning at (or beyond) the one-year step do not receive six month step/growth increases.

### IV. MERIT INCREASE GROWTH

**In the City of Richardson, ALL pay increases are based on merit.** Even when the length of time since the last pay increase dictates that a Step Increase is possible, **the decision on whether that increase will be given (and the amount) will be based on merit**, as shown on the most recent Semiannual Efficiency Reports (for all Civil Service employees), annual/periodic performance reviews (for other employees), documented performance since the last Efficiency report or performance review, and attendance.

NOTE: *Absences due to events protected by law, e.g., Family Medical Leave Act [FMLA] must **not** be counted against an employee.* Questions regarding absences possibly falling in these categories should be reviewed with the Assistant Director or Director of Human Resources.

Pay plan maintenance may result in changes in position ranges and/or steps (e.g., addition of step(s) to ranges, increases in the dollar amount for step(s), etc.). And, periodically, the entire pay plan (*for full time positions only*) may be adjusted due to market and economic factors, as approved by the City Council. These adjustments will generally be in full percent amounts, e.g., three percent. **Such pay plan changes will NOT result in automatic pay increases for incumbents in affected positions; the same factors in the preceding paragraph will be considered.**

Steps are labeled alphabetically, as shown below:

- Step A** Beginning step for new employees  
**Step B** Six month step (where provided) for merit increase. Supervisors may grant this step **ONLY** if satisfactory performance has been demonstrated in the first six months of employment.  
**Steps C-I** Annual merit steps, where applicable, if performance has been satisfactory. Consideration for Annual merit step increases (Steps C-I) is given annually on the employee’s anniversary date (refer to Paragraph V on Page Three).

Department Heads may grant increases of any amount between zero and the full step (or periodic pay plan adjustment amount) provided. One-half percent (.5%) increases are allowable. In computing amounts other than the steps printed in the official City Compensation Plan, round to the next higher dollar amount for amounts of \$ .50 and above; round down for amounts falling below \$ .50. Do **not** round off above the step(s) listed in the Compensation Plan; use the printed steps amounts *except when granting pay increases between the step amounts shown.*

V. **ANNIVERSARY DATES**

**An employee's anniversary date (date of hire) will be the effective date of his/her annual step (merit) increase, if warranted by his/her performance and attendance.** However, date(s) of promotion will establish new anniversary dates for step (merit) increases. **For only those incumbents at the top of their position pay ranges for more than twelve (12) months:** if those pay ranges are adjusted and/or steps are added, the date of such range changes will become the annual anniversary date for those incumbents. (For example, an incumbent has been at the top of his/her pay range for two years; the pay range is adjusted and step(s) added as of January 1, making that incumbent eligible for a merit increase as of the effective date of that change; until the incumbent reaches the new top of that range, his/her annual anniversary date will now be January 1.)

**NOTE:** Absences due to events protected by law, e.g., Family Medical Leave Act [FMLA] must **not** be counted against an employee. Questions regarding absences possibly falling in these categories should be reviewed with the Assistant Director or Director of Human Resources.

It should be clear that advancement from one step to another is not automatic. **Supervisors may grant Steps C and above ONLY if satisfactory performance has been demonstrated.** If an employee is a Civil Service employee, his/her most recent Efficiency Report, along with performance documented since that Report, is to be used in determining eligibility for these increases.

VI. **EXCEPTIONAL SERVICE AWARDS FOR POSITIONS WITH RANGES**

Department Heads who wish to advance an employee beyond the next normal step, or to advance to the next step earlier than normal, must obtain written approval from the City Manager (or his designee), and forward it to Human Resources with the prepared Status Change Request form. Such increases are coded as **Exceptional Service Award** increases.

VII. **RANGE CEILINGS**

**Under NO circumstances can any employee be paid above the top step in his/her position's authorized pay range.** Employees who are qualified for positions with higher top step salaries should be encouraged to promote to such positions through the City's Civil Service system. **("Promotion" is defined as moving to a position with a top pay step which is higher than that of the employee's current pay range.)**

**NOTE:** The City of Richardson's Civil Service System does not authorize lateral movements. Although lateral moves can sometimes be approved, supervisors/ managers are under no obligation to approve them (or demotions) when requested.

VIII. **PAY INCREASES FOR SINGLE STEP POSITIONS**

For single step pay positions, all pay increases must be approved by the City Manager (or his designee). These are normally coded as **Merit** increases; however, based on circumstances (including outstanding performance), they may be coded as **Exceptional Service Award** increases.

**CONCLUSION:**

This interdepartmental Policy and Procedure reflects the philosophies and instructions of “Compensation Plan Introductions” issued with Compensation Plan revisions over the past several years. Questions regarding content or application of these procedures should be referred to the Director or Assistant Director of Human Resources.

Original signed by Bill Keffler

9-22-99 (revised January 2003)

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Bill Keffler  
City Manager

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Date